

SENATE, No. 1363

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED FEBRUARY 26, 2008

Sponsored by:

Senator THOMAS H. KEAN, JR.

District 21 (Essex, Morris, Somerset and Union)

SYNOPSIS

Permits board of education to accept donations for purpose of providing property tax relief.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning school property tax reduction through bequests,
2 legacies, and gifts, amending N.J.S.18A:22-8 and N.J.S.18A:22-
3 11, and supplementing chapter 22 of Title 18A of the New
4 Jersey Statutes.

5
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8
9 1. N.J.S.18A:22-8 is amended to read as follows:
10 18A:22-8. The budget shall be prepared in such detail and upon
11 such forms as shall be prescribed by the commissioner and to it
12 shall be annexed a statement so itemized as to make the same
13 readily understandable, in which shall be shown:

14 a. In tabular form there shall be set forth the following:

15 (1) The total expenditure for each item for the preceding school
16 year, the amount appropriated for the current school year adjusted
17 for transfers as of February 1 of the current school year, and the
18 amount estimated to be necessary to be appropriated for the ensuing
19 school year, indicated separately for each item as determined by the
20 commissioner;

21 (2) The amount of the surplus account available at the beginning
22 of the preceding school year, at the beginning of the current school
23 year and the amount anticipated to be available for the ensuing
24 school year;

25 (3) The amount of revenue available for budget purposes for the
26 preceding school year, the amount available for the current school
27 year as of February 1 of the current school year and the amount
28 anticipated to be available for the ensuing school year in the
29 following categories:

30 (a) Total to be raised by local property taxes

31 (b) Total State aid

32 (i) Equalization aid

33 (ii) Special education categorical aid

34 (iii) Transportation aid

35 (iv) Preschool education aid

36 (v) Security aid

37 (vi) Adjustment aid

38 (vii) Other (detailed at the discretion of the commissioner)

39 (c) Total federal aid

40 (i) Elementary and Secondary Education Act of 1965 (20
41 U.S.C. s.2701 et seq.)

42 (ii) Handicapped

43 (iii) Impact Aid

44 (iv) Vocational

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 (v) Other (detailed at the discretion of the commissioner)

2 (d) Other sources, including any funding made available
3 pursuant to section 3 of P.L. , c. (C.) (pending before the
4 Legislature as this bill) (detailed at the discretion of the
5 commissioner).

6 b. (Deleted by amendment, P.L.1993, c.117).

7 c. In the event that the total expenditure for any item of
8 appropriation is equal to \$0.00 for: (1) the preceding school year,
9 (2) the current school year, and (3) the amount estimated to be
10 necessary to be appropriated for the ensuing school year, that item
11 shall not be required to be published pursuant to N.J.S.18A:22-11.

12 d. The instruction function of the budget shall be divided at a
13 minimum into elementary (K-5), middle school (6-8), and high
14 school (9-12) cost centers, each of which shall be further divided by
15 the core curriculum content areas. The commissioner shall phase in
16 these requirements as soon as practicable.

17 e. The budget as adopted for the school year pursuant to
18 section 5 of P.L.1996, c.138 (C.18A:7F-5) shall be provided for
19 public inspection on the school district's Internet site, if one exists,
20 and made available in print in a "user-friendly" format using plain
21 language. The Commissioner of Education shall promulgate a
22 "user-friendly," plain language budget summary format for the use
23 of school districts for this purpose.

24 (cf: P.L.2007, c.260, s.52)

25

26 2. N.J.S.18A:22-11 is amended to read as follows:

27 18A:22-11. The board of education shall cause notice of such
28 public hearing and the statement annexed to the budget to be
29 published at least once in at least one newspaper published in the
30 district and if no newspaper be published therein, then in at least
31 one newspaper circulating in said district not less than four days
32 prior to the date fixed for such public hearing. The board of
33 education shall also publish in such notice the amount of funding to
34 be made available pursuant to section 3 of P.L. , c. ()
35 (pending before the Legislature as this bill).

36 (cf: P.L.1995, c.278, s.41)

37

38 3. (New section) The board of education of any school district
39 may adopt a resolution for the establishment of a school property
40 tax relief trust fund. A board of education that has established a
41 school property tax relief trust fund is authorized and empowered to
42 accept bequests, legacies and gifts for deposit into the trust fund.
43 The net proceeds of the trust fund shall be used for the exclusive
44 purpose of reducing or offsetting the amount of local property taxes
45 to be collected. The Commissioner of Education, in consultation
46 with the Director of the Division of Investment in the Department
47 of the Treasury, shall promulgate rules and regulations pursuant to
48 the "Administrative Procedure Act," P.L. 1968, c.410 (C.52:14B-1

et seq.), necessary for the establishment of any trust fund as provided for in this section. The counsel, advice, and assistance of the Division of Investment in the Department of the Treasury shall be available to any board of education for the purpose of establishing and maintaining a school property tax relief trust fund, including the investment and conversion of trust assets. The board of education shall select a trustee by a majority vote of its membership, who shall not be a board member or an employee of the school district. The trustee shall serve as the fiduciary agent and may be compensated for managing the trust fund within an annual limitation set forth by regulation. The conditions set forth in the trust fund shall clearly state the manner in which local property taxes will be reduced or offset. The trustee shall notify the board secretary of the amount of funding being made available in any given school year, as determined by the conditions set forth in the trust document, and shall remit such funding to the local tax collector or tax collectors in the same school year. The local tax collector, upon receiving payment from the trustee, shall credit the trustee's payment by deducting the payment from the total property tax levy for the school year. The secretary of the board of education shall have the responsibility of certifying to the proper taxing officials the amount of funding made available for a given school year as determined by the conditions set forth in the trust fund for the purpose of reducing or offsetting the amount to be collected in local property taxes. The establishment of a trust fund pursuant to this section shall not be construed in anyway to limit the school district's ability to secure State aid.

4. This act shall take effect immediately.

STATEMENT

This bill authorizes the board of education of any school district to establish a school property tax relief trust fund by resolution. Any trust fund established pursuant to this bill must be used solely for the purpose of reducing or offsetting the amount of property taxes to be collected by the municipalities comprising the school district. The board of education by a majority vote must select a trustee to serve as the fiduciary agent of the trust fund. The trustee has the responsibility of remitting to the tax collector the amount of funding being made available for any school year for the purpose of reducing the amount to be collected in local property taxes. The Division of Investment in the Department of the Treasury will provide advice, counsel, and any assistance to any school board in establishing a school property tax relief trust fund.